

GOVERNMENT OF ANDHRA PRADESH  
ABSTRACT

Contract Labour (Regulation & Abolition) Act, 1970 - Revision of minimum rates of wages under the said Act and applicability of Variable Dearness Allowance to the basic wage for every six months – Orders – Issued.

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LABOUR EMPLOYMENT TRAINING AND FACTORIES (LAB.II) DEPARTMENT

G.O.Rt.No. 1337

Dated.27.11.2010.

Read:

From the COL, Andhra Pradesh, Hyderabad Lr.No.S1/3622/09, Dt.23.6.2010.

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ORDER:

The Commissioner of Labour, A.P. Hyderabad in his letter read above has reported that office bearers of Indian Federation of Trade Unions, represented that the VDA (Cost of Living Allowance) is not applicable to the wages fixed under Contract Labour (Regulation & Abolition) Act, 1970 and requested to issue necessary orders for applicability of VDA to the contract workers.

2. The Commissioner of Labour has reported that the wages under Contract Labour (Regulation & Abolition) Act, 1970 are being fixed by the Commissioner of Labour under rule 25 (v) (b) of the Andhra Pradesh Contract Labour (Regulation & Abolition) Rules, 1971 for every two years. There is no provision under the said Act for payment of Cost of Living Allowance (VDA). However, Section 2 (d) of the Minimum Wages Act, 1948 provides for declaration of Cost of Living Index Number. Earlier, the wages under all Scheduled Employments covered under the Minimum Wages Act were revised once in two years. Government, vide G.O.Ms.No.36, Dt.15.06.1989, issued orders that the minimum wage shall comprise of a basic wage and Cost of Living Allowance, and the Cost of Living Allowance shall be linked to the consumer price index and shall apply to all **employments in Part-I**. The Cost of Living Allowance shall be paid as VDA. The competent authority appointed by the appropriate Government by notification in the official Gazette to ascertain from time to time the Cost of Living Allowance applicable to the employees employed in the Scheduled Employments specified in such notification. Government vide G.O.Ms.No.37, Dt.15.03.1989 appointed the Commissioner of Labour as competent authority for this purpose under the Act. Further, keeping in view the deliberations made at the Regional Labour Minister's Conference of the Southern Region at Trivendrum on 04.10.1994, Government have issued orders that the revision of minimum rates of wages shall be taken up in the scheduled employment once in five years where the VDA is a part of wages and for every two years where the VDA is not applicable vide G.O.Ms.No.16, Dt.25.05.1995 of Labour Employment Training Department. As there is a no provision for payment of Cost of Living Allowance (VDA) under the Contract Labour (Regulation & Abolition) Act, 1970, revision of wages are being taken up once in two years adding the CPI points raised during the two years period. Since the Contract Workers who were covered under the scheduled employments in part-I of the Minimum Wages Act, 1948 are enjoying the benefit of VDA for every six months, it may be appropriate that the CPI points raised for every six months may also be applicable to the contract workers, who are drawing wages notified under the Contract Labour (Regulation & Abolition) Act, 1970, instead of adding the points, raised at a time at the time of revision and revision be taken up for every five years as in the case of scheduled employments in Part-I under Minimum Wages Act, 1948.

3. The Government after careful examination of the matter and in view of the provision contained under Section 2 (d) of the Minimum Wages Act, 1948 and rule 25 (v) (b) of the Andhra Pradesh Contract Labour (Regulation & Abolition) Rules, 1971, the Commissioner of Labour is who was appointed as competent authority under the former Act, is empowered to apply the CPI points raised for every six months to the contract

workers also who are drawing wages notified under the Contract Labour (Regulation & Abolition) Act, 1970, instead of adding the points raised at a time, at the time of revision and the revision be taken up for every five years as in the case of scheduled employments in Part-I under the Minimum Wages Act, 1948.

4. The Commissioner of Labour is requested to take necessary action accordingly and ensure wide publicity for the proposed benefit in the public interest.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

D.SREENIVASULU  
SECRETARY TO GOVERNMENT

To  
The Commissioner of Labour, Andhra Pradesh, Hyderabad.

Copy to:

All field level officers through COL, A.P. Hyderabad.

The Law (B) Department.

The PA to Secretary, LET&F Department.

The PA to Joint Secretary, LET&F Department.

// FORWARDED :: BY ORDER //

SECTION OFFICER